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December 6, 2001

VIA HAND DELIVERY

Mr. K. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37219

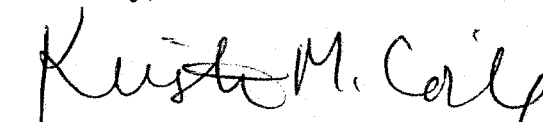
Re: *Petition for Approval of a Modification of the Annual
Audit Period of Memphis Network, LLC*

Dear Mr. Waddell:

Please find enclosed for filing an original plus thirteen (13) copies of a Petition for Approval of a Modification of the Annual Audit Period of Memphis Network, LLC. The \$25.00 filing fee is also enclosed.

If you have any questions please do not hesitate to contact me. Thank you.

Sincerely,



Kristin Murphy Coile

KMC/sl
enclosures

cc: Ward Huddleston, Jr.
D. Billy Sanders, Esq.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

PETITION OF MEMPHIS NETWORKX,)
LLC AND MEMPHIS LIGHT, GAS)
& WATER DIVISION FOR APPROVAL)
OF A MODIFICATION OF THE)
ANNUAL AUDIT PERIOD)

DOCKET NO. 01-_____

**PETITION FOR APPROVAL OF A MODIFICATION
OF THE ANNUAL AUDIT PERIOD**

Pursuant to Tenn. Code Ann. §§ 65-4-104 and 65-3-108, Memphis Networx, LLC, a Tennessee limited liability company ("Memphis Networx"), and Memphis Light, Gas & Water Division a division of the City of Memphis, ("MLGW") (collectively, "Petitioners"), respectfully request that the Tennessee Regulatory Authority ("TRA" or "Authority") approve this Petition which seeks to modify the Petitioners' annual audit period from August 9, 2001 through August 8, 2002, to an initial audit period commencing August 9, 2001 and ending December 31, 2002 and annually thereafter on a calendar year basis.

In support of this Petition, Memphis Networx and MLGW submit the following information:

1. The full name and address of the principal place of business of the Petitioners are:

Memphis Networx, LLC
7555 Appling Center Drive
Memphis, Tennessee 38133-5069

Memphis Light, Gas & Water Division
220 South Main Street
Memphis, Tennessee 38103

2. All correspondence and communications with respect to this
Petition should be sent to the following:

Ward Huddleston, Jr.
Vice President for Corporate Development
Memphis Networx, LLC
7555 Appling Center Drive
Memphis, Tennessee 38133-5069
Telephone: (901) 213-5122
Facsimile: (901) 371-0829

Charlotte Knight Griffin
Manager, Legal Services
Memphis Light, Gas & Water Division
220 South Main Street
Memphis, Tennessee 38103
Telephone: (901) 528-4525
Facsimile: (901) 528-4321

D. Billye Sanders
Waller Lansden Dortch & Davis
A Professional Limited Liability Company
511 Union Street, Suite 2100
Nashville, Tennessee 37219
Telephone: (615) 244-6380
Facsimile: (615) 244-6804

3. Memphis Networx, LLC is a board-managed limited liability
company organized under the laws of the state of Tennessee. MLGW, a member of
Memphis Networx, is a municipal utility established by Chapter 381 of the Private
Acts of 1939 amending the Charter of the City of Memphis and giving MLGW
authority over municipal utility systems.

4. Memphis Networx was granted a certificate of public convenience and necessity from the Authority, establishing it as a telecommunications services carrier pursuant to the laws of the state of Tennessee. As a public utility, its operations are subject to the jurisdiction of this Authority.

5. The purpose of this Petition is to modify the audit period of the annual independent audit required by the Authority. The Authority has ordered that Petitioners submit to an annual audit, to be performed by an independent auditor chosen by Memphis Networx, and that the "audits shall commence one year from the date of entry of this order and shall continue on an annual basis unless otherwise ordered by the Authority."¹ Thus, Memphis Networx and MLGW conclude they are required to submit to an independent audit of the period beginning on August 9, 2001 through August 8, 2002, and continuing on an annual basis on the 9th of August. Petitioners request that the initial audit period be modified to end on December 31, 2002 rather than August 8, 2002, and thereafter that the audit period be January 1 through December 31, which coincides with the fiscal years of the Petitioners.

6. Petitioners submit that the audit process will be more efficient and less cumbersome if the audit required by the TRA is aligned with the fiscal years of the Petitioners. Auditing from mid-August to mid-August would be more costly and time consuming for Petitioners. The information to be obtained from the

¹ TRA Order in docket # 99-00909, entered on August 9, 2001 (p. 39). This order granted Memphis Networx the authority to provide telecommunications services in Tennessee.

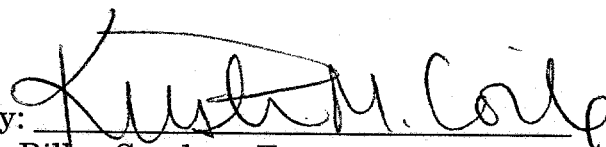
audit period ordered by the Authority would be captured in the fiscal year audit proposed by the Petitioners. Petitioners are unaware of any significance of the August 9th date other than that date being the date of entry of the Order granting Petitioners authority to provide telecommunications services.

WHEREFORE, Petitioners pray:

1. That the audit period for Petitioners be modified to August 9, 2001 through December 31, 2002 for the initial audit, and January 1 – December 31 thereafter; and
2. That Petitioners be granted such other and/or further relief as may be warranted.

Respectfully submitted,

Memphis Networx, LLC
Memphis Light, Gas & Water Division

By: 

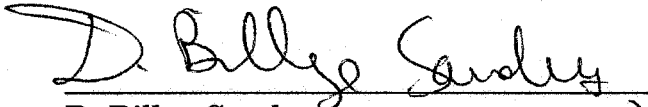
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Attorneys for Petitioners
Memphis Networx, LLC
Memphis Light, Gas & Water Division

CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of December, 2001, a true and correct copy of the foregoing Petition was served on the persons below by placing same in the U.S. mail, postage pre-paid:

Consumer Advocate Division
Office of Attorney General
Cordell Hull Building
426 5th Avenue North
Nashville, Tennessee 37243-0500


D. Billye Sanders (KMC)